Impact of Bilateral Agreement on the Valuation of AI

3830. SHRI K. J. CHITHARANJAN :

SHRI V. V. RAGHAVAN :

Will the Minister of CIVIL AVIATION be pleased to state :

(a) whether it is a fact that Government have recently negotiated a number of new bilateral agreements and granted new/additional rights to several foreign airlines ;

(b) if so, the details thereof ;

(c) the impact of this decision on the valuation of Air India and the bids received for purchase of the shares being sold ; and

(d) whether it has reduced Government's negotiating position ?

THE MINISTER OF CIVIL AVIATION (SHRI SHARAD YADAV) : (a) and (b) During the current year bilateral air services consultations have been held with Russia, Hongkong, Yugoslavia, Germany, SAS, Austria, UAE (Dubai) and Oman. During these discussions capacity entitlement has been enhanced by a total of about 6550 seats per week for each side in each direction. Besides the designated airline of Germany has also been allowed to utilize 2800 seats out of the unused entitlement of the Indian side subject to a commercial arrangement with the designated Indian Carrier.

(c) It will not have any impact on Air India's valuation as capacity entitlement is increased by equal amount for the designated airlines of both countries. On the other hand Air India has gained financially on account of income from the commercial arrangements with foreign airlines.

(d) No, Sir.

Arrangement of vehicles at airports for carrying passengers

†3831. SHRI LAKKHIRAM AGARWAL : Will the Minister of CIVIL AVIATION be pleased to state :

(a) whether arrangements of vehicles have been made at certain airports to carry passengers to their restrictive destinations ;

(b) if so, whether contract for this purpose has been awarded to any private company ; and

(c) if so, the details of the said company together with the contract ?

†Original notice of the question was received in Hindi.